STATE OF ARIZONA FILED

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JUL 14 2011

DEPARTMENT	OF	INSU	JRA	NCE
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DEPT	OF	INSURANCE
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In the Matter of:	
CARSAFE, LLC,	No. 11A-046- INS
Respondent.	CONSENT ORDER

The State of Arizona Department of Insurance ("Department") has received evidence that **Respondent** violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

- 1. CarSafe, LLC ("Respondent" or "CarSafe") is an Oklahoma limited liability company that is registered in Arizona as a foreign corporation. CarSafe's addresses are: 1529 S. Old Hwy 94, #110, St. Charles, MO 63303; and c/o Corporation Service Company, 2338 W. Royal Palm Rd., Ste J, Phoenix, AZ 85021 (Statutory Agent).
 - 2. CarSafe does not hold a permit to offer service contracts in the State of Arizona.
- 3. Sometime prior to May 26, 2011, CarSafe mailed a solicitation offering an extended auto warranty service contract to an Arizona resident. The solicitation did not name an Arizona licensed service contract company.
- 4. On June 1, 2011, the Department filed a Cease and Desist Order ordering CarSafe to immediately cease and desist from offering or soliciting warranty service contract applications to Arizona residents.

5. On June 10, 2011, CarSafe sent a letter to the Department stating that it does not act as a service company or service contract administrator. Instead, CarSafe is a marketing company that sells extended service contracts to consumers for an insurance underwriter. CarSafe notified the Department that it had voluntarily terminated and will cease any and all business activity in the State of Arizona.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Any service company contract issued in violation of Title 20, Chapter 4, Article 11 is an enforceable and valid contract unless invalidated for other reasons. A.R.S. § 20-1095.05.
- 3. Respondent's conduct as described above constitutes the omission of a material statement in connection with the sale, offer to sell or advertisement of a service contract, which under the circumstances should have been made in order to make the statements that were made not misleading, within the meaning of A.R.S.§20-1095.09(A)(2).
- 4. Grounds exist for the Director to order Respondent to cease and desist its violation pursuant to A.R.S. § 20-1095.09(B).

ORDER

IT IS HEREBY ORDERED THAT:

- Respondent shall not act as a service company in Arizona unless it obtains a permit from the Department.
- 2. If it does not obtain a service company permit from the Department, Respondent shall cease and desist solicitations to Arizona consumers until it corrects its solicitations to clearly state the name of the Arizona licensed service company on whose behalf it is sending the solicitation.

DATED AND EFFECTIVE this ___/3 day of ______, 2011.

CHRISTINA URIAS
Director of Insurance

CONSENT TO ORDER

- 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
- Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.
- 3. Respondent is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence and examine witnesses. Respondent irrevocably waives its right to such notice and hearing and to any court appeals relating to this Consent Order.

- 4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.
- 5. Respondent acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against it and does not preclude any other agency, officer, or subdivision of this state including the Department from instituting civil or criminal proceedings as may be appropriate now or in the future.
- 6. Respondent acknowledges that this Consent Order is an administrative action that the Department will report to the National Association of Insurance Commissioners (NAIC) and that they may have to report this administrative action on any future licensing applications either to the Department or other states' Departments of Insurance.
- 7. Mark Eckman represents that he is the Manager of CarSafe, LLC, and as such is authorized to enter into this Consent Order on its behalf.

	CarSafe, LLC
7-01-2011 Date	Mark Eckman, Manager

COPIES of the foregoing mailed/delivered this <u>14th</u> day of <u>July</u>, 2011, to:

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